

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Kosmopolito Hotels International Limited
麗悦酒店集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.kosmohotels.com>

(Stock Code: 2266)

Unaudited Operational Update
for the Second Quarter Results to 30 September 2011

The Board of Directors (the “Board”) of Kosmopolito Hotels International Limited (the “Company”) announces the unaudited operational update of the Company and its subsidiaries (the “Group”) for the quarter and the six months ended 30 September 2011 as follows:

Owned Hotels Operational Highlights						
For the three months ended						
Region	RevPAR (HK\$)		Occupancy (%)		Average Room Rate (HK\$)	
	30.9.2011	y-o-y%	30.9.2011	y-o-y%	30.9.2011	y-o-y%
Hong Kong*	826.43	34%	96%	8%	860.90	24%
Malaysia	368.37	10%	72%	2%	515.36	8%
China	<u>255.26</u>	<u>-14%</u>	<u>46%</u>	<u>-3%</u>	<u>554.02</u>	<u>-11%</u>
Group Wide	<u>594.23</u>	<u>26%</u>	<u>81%</u>	<u>7%</u>	<u>734.37</u>	<u>19%</u>
For the six months ended						
Region	RevPAR (HK\$)		Occupancy (%)		Average Room Rate (HK\$)	
	30.9.2011	y-o-y%	30.9.2011	y-o-y%	30.9.2011	y-o-y%
Hong Kong*	813.49	29%	95%	7%	856.89	21%
Malaysia	370.55	9%	73%	0%	504.81	9%
China	<u>293.55</u>	<u>-8%</u>	<u>50%</u>	<u>-6%</u>	<u>586.94</u>	<u>-3%</u>
Group Wide	<u>591.94</u>	<u>24%</u>	<u>82%</u>	<u>5%</u>	<u>725.67</u>	<u>18%</u>

* Includes Cosmo Hotel Mongkok and Dorsett Regency Hotel, Hong Kong which opened in July 2010 and June 2011 respectively but excludes The Mercer by Kosmopolito.

The operational performance of the 16 owned hotels continued to achieve remarkable growth for the quarter ended 30 September 2011, with revenue per available room (“RevPAR”) attaining an average increase of 26% over the same period last year to reach HK\$594.23. Especially worth mentioning is the performance of the nine owned hotels in Hong Kong, which recorded a RevPAR growth of 34% on the back of a 24% jump in average room rate and an 8% rise in occupancy rate.

The Mercer by Kosmopolito, the inaugural third party hotel operated by the Group under a hotel management agreement recorded an average room rate and occupancy rate of HK\$1,703 and 75% respectively during the quarter. The hotel’s strong performance should help the Company establish its reputation as a hotel operator and provide the foothold for its continued effort to seek other asset-light and cost effective business opportunities.

During the quarter, the Group launched the “Dorsett Regency Hotels & Resorts” and “Silka Hotels” brands. The Dorsett Regency hotels are sleek 4-star business hotels providing executive travellers with efficient and prompt service supported by technology and well-trained associates to deliver an engaging experience. Trendy and interactive best describes the style of Dorsett Regency Hotels. All rooms are modern and tastefully furnished to ensure the comfort and ease of the guests. Dorsett Regency Hotel, Hong Kong commenced operation in June 2011. The Group currently has one Dorsett Regency Hotel in Kuala Lumpur, Malaysia; with another six more coming online within the next one to three years in Hong Kong, China, Singapore and United Kingdom.

Silka Hotels is a value-led hotel chain providing a high level of comfort at great value and convenient services to the value-conscious guests. All hotels are strategically located for both corporate and leisure travellers. Apart from offering affordable yet innovatively design accommodation; concierge services, internet corner, and mini-bar items at supermarket prices; Silka Hotels also rolled out a value-added programme ‘Stay, Shop & Save’ which is a collaboration programme with major retailers to offer shopping privileges for Silka’s guests. The Group currently has three hotels in Hong Kong and one in Malaysia.

As part of its capital churning strategy of some of its smaller hotel assets, the Group entered into an agreement to sell the 142-room Central Park Hotel in Sheung Wan, Hong Kong for a consideration of HK\$515 million. The Group expects the sale to be completed by 7 December 2011, at which time the Group expects to realise a gain of approximately HK\$370 million attributable to shareholders.

Noting that Asians, in particular the Chinese are making more outbound trips and to farther destinations, the Group established its entry into Europe with the acquisition of the Shepherd’s Bush Pavilion in West London, United Kingdom for a consideration

of £16 million (approximately HK\$202.4 million). A red brick landmark with a history dating back to 1923, the freehold property has been granted approval for redevelopment into a 242-room hotel. The Group is currently considering submission of applications to vary the planning permission with a view to maximising the financial returns and the property's strategic value to the Group. The proposed hotel is expected to open as a Dorsett Regency Hotel in 2014.

The Company retains a cautiously optimistic outlook of the industry, the operational performance of its hotels and the Company's performance in the midst of lingering global economic instability and holds firm to its belief that such times of uncertainty can also present opportunities.

The Board wishes to remind investors and/or shareholders that the above operational update for the quarter and six months ended 30 September 2011 are based on the Group's internal records and unaudited management accounts which have not been reviewed or audited by auditors. Differences may arise between such data and the information disclosed in subsequent audited financial statements. Investors and/or shareholders are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.

This announcement is a voluntary information disclosure.

Unless otherwise specified, amounts in this announcement denominated in £ have been translated for the purpose of illustration only into Hong Kong dollars at the rate of £1.00:HK\$12.65. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

By Order of the Board
Kosmopolito Hotels International Limited
MOK, Kwai Pui Bill
President and Executive Director

Hong Kong, 24 October 2011

As at the date of this announcement, the executive directors of the Company are Mr. MOK, Kwai Pui Bill, Ms. CHIU, Wing Kwan Winnie and Mr. LAI, Wai Keung. The non-executive directors of the Company are Tan Sri Dato' CHIU, David, Mr. HOONG, Cheong Thard and Mr. CHAN, Chi Hing. The independent non-executive directors of the Company are Mr. SHEK, Lai Him Abraham, Mr. TO, Peter and Dr. LIU, Ngai Wing.

This announcement was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the two texts, the English text of this announcement shall prevail over the Chinese text.